

Message Text

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ACTION OES-07

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TO SECSTATE WASHDC 4836
INFO AMEMBASSY LIMA
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C O N F I D E N T I A L BUENOS AIRES 1713

USIAEA

E.O. 11652: GDS
TAGS: PARM, TECH, MNUC, AR
SUBJECT: ARGENTINA NUCLEAR POLICIES

REF: (A) BA 1357, (B) BA 1486

1. DURING A MEETING ON SATURDAY, MARCH 4, 1978, TO DISCUSS
WORDING OF PROPOSED NOTE EXCHANGE ON THE "BUY BACK"
PROVISIONS FOR U.S. FUEL LOAN TO PERU, ADMIRAL CASTRO MADERO
TOLD SCIENCE COUNSELOR THAT IN HIS RECENT TALKS IN WASHINGTON
WITH PROFESSOR NYE AND MR. VAN DOREN, HE WAS PROMISED
INFORMATION ON HIGH DENSITY FUEL BEING WORKED ON AT ARGONNE
NATIONAL LABS. HE MENTIONED CNEA IS HAVING SOME ADMINIS-
TRATIVE PROBLEMS WITH THE 10MW REACTOR SALE TO PERU. HOWEVER,
"THE PERU DEAL IS OUR FIRST FOREIGN TRANSACTION ON THE SALE
OF NUCLEAR MATERIAL, AND WE WANT TO LIVE UP TO OUR
COMMITMENT FOR DELIVERY IN 3 AND A HALF YEARS," SAID CASTRO
MADERO.

2. IN REGARD TO FUEL SUPPLY FOR THE 10MW REACTOR, THE SCIENCE
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COUNSELOR MENTIONED THAT THE EMBASSY HAD RECEIVED AN
INQUIRY FORM THE GENERAL ATOMICS REPRESENTATIVE IN SAN
DIEGO, CALIFORNIA, CONCERNING THE POSSIBILITY OF
DISCUSSIONS WITH CNEA OFFICIALS ON THE TRIGA FUEL REACTOR
SYSTEM. SEE REFTTEL 1357. GENERAL ATOMICS PRODUCES A LINE
OF HIGH DENSITY FUEL, LEU, FOR THE TRIGA REACTORS, WHICH ARE
SUITABLE FOR OPERATION UP TO 15MW AND ARE USED PRIMARILY FOR

EXPERIMENTAL PURPOSES AND PRODUCING ISOTOPES. THE GENERAL ATOMICS REPRESENTATIVE WOULD BE INTERESTED IN DISCUSSING PROVISION OF LEU TRIGA FUEL AND INSTRUMENTATION TO CNEA FOR PERU REACTOR AS WELL AS EXPERT DESIGN CONSULTATION. CASTRO MADERO DISPLAYED AN INTEREST AND INDICATED HE WOULD BE HAPPY TO DISCUSS THE FUEL SYSTEMS WITH THE G.A. REPRESENTATIVE.

3. IN REGARD TO RATIFICATION OF TLATELOLCO AND FULL SCOPE SAFEGUARDS, CASTRO MADERO SAID THERE STILL SEEMS TO BE A MISUNDERSTANDING OF THE ORIGINAL CONVERSATIONS WITH U.S. GROUP LAST NOVEMBER, AND HE WOULD APPRECIATE FURTHER CLARIFICATION IN WRITING. HE UNDERSTANDS THE THREE STAGE PROCESS EXPLAINED BY AMBASSADOR SMITH; BUT FEELS THAT IN THE ORIGINAL COMMUNICATION, THE WORDING "RELEVANT TECHNOLOGY" MEANT THE PROVISION OF HEAVY WATER TECHNOLOGY. HE STATED HIS INTERPRETATION OF THE CONVERSATIONS WAS THAT IN EXCHANGE FOR THE HEAVY WATER TECHNOLOGY, ARGENTINA WOULD RATIFY TLATELOLCO AND ACCEPT FULL SCOPE SAFEGUARDS. CASTRO MADERO REMARKED THAT HE HAS ALWAYS MAINTAINED ARGENTINE DEFERRAL OF REPROCESSING WAS NOT POSSIBLE UNDER PRESENT CIRCUMSTANCES; AND THIS WAS NOT PART OF THE ORIGINAL "DEAL" WITH THE U.S.

4. SCIENCE COUNSELOR ASKED CASTRO MADERO ABOUT HIS RECENT REMARKS TO PRESS (SEE REFTEL 1486), CONCERNING THE DIFFICULTY IN HIS TALKS IN CANADA ON THE PROVISION OF FUTURE CANDU REACTORS
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AND TECHNOLOGY, PARTICULARLY FOR ATUCHA II.

5. CASTRO MADERO SAID THIS WAS UNFORTUNATE SINCE CANADA HAS REVERSED ITS POLICY AND, IN DOING SO, IS RENEGING ON ITS 1973 COMMITMENT TO ARGENTINA FOR TECHNOLOGY AND THE PROVISION OF THE CANDU LINE OF REACTORS. NOW, SAID CASTRO MADERO, ON ALL NEW CONTRACTS (WHICH INCLUDES ATUCHA II) CANADA WANTS FULL SCOPE SAFEGUARDS ON ALL ARGENTINE NUCLEAR FACILITIES, NOT JUST ONES PROVIDED BY CANADA. HE STATED THAT THE NEW U.S. AND CANADIAN LEGISLATION MUST BE CLOSELY EVALUATED IN THE NEXT FEW MONTHS FROM MANY VIEWPOINTS BEFORE FURTHER DECISIONS ARE MADE.

6. ASKED ABOUT NEGOTIATIONS WITH WEST GERMANY FOR PROVISION OF NUCLEAR REACTORS, CASTRO MADERO SAID THIS IS A POSSIBILITY UNDER REVIEW, BUT THAT ALTERNATIVE WOULD EXTREMELY COMPLICATE PRESENT PROGRAM PLANS.
CHAPLIN

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